

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 771 - SB 798

March 25, 2011

SUMMARY OF BILL: Authorizes a dental service plan corporation to limit participation in a plan that is provided or managed on behalf of or for a governmental entity.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The provisions of the bill will authorize a dental service plan for a governmental entity to limit the network size. This will not cause providers to seek higher rates of compensation because limiting network participation will increase the volume of services provided by in-network providers.
- The CoverKids program provides dental insurance coverage to low income children who qualify for coverage. According to the Department of Finance and Administration (DOFA), the contract with the current dental services provider incorporates access standards applicable to both general and specialist dentists. These access standards will still place a requirement on the contractor to recruit sufficient dentist participation to meet the access standards. There will not be a significant impact to available coverage or rates.
- The state sponsored public sector plans make dental coverage available to eligible state, local education, and local government employees. Both available options incorporate specific providers in their network and require that plan participants seek treatment only from network dentists or provide significant financial incentives promoting the use of network providers. According to DOFA, this will not have a significant impact on the coverage available through the state sponsored plans.
- It is unknown how many local governments that do not opt into the state sponsored health plans provide dental coverage. It is assumed that any plans that do provide coverage will not incur a significant change in the dental benefits provided to enrollees or the rates of compensation as a result of this bill.

HB 771 - SB 798

- According to the Bureau of TennCare, the dental services contractor is licensed as a Third-Party Administrator which is a separate license category and is not subject to the any willing provider statute that is being amended by the bill. There will not be a fiscal impact to the TennCare program.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/kml